



Senate

General Assembly

File No. 530

February Session, 2002

Substitute Senate Bill No. 424

Senate, April 17, 2002

The Committee on Banks reported through SEN. MCDERMOTT of the 34th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A STUDY OF THE SOLICITATION OF CREDIT CARDS ON COLLEGE CAMPUSES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) There is established a task force
2 that shall study the issue of solicitation of credit cards to students in
3 any public or independent college or university in this state and shall
4 explore the offering of credit cards to students who have no income,
5 the regulation of marketing practices of credit card issuers on
6 campuses, the sites where such cards may be marketed and debt
7 education and counseling of students.

8 (b) The task force shall consist of the following members:

9 (1) Two representatives of credit card issuers, one appointed by the
10 speaker of the House of Representatives and one appointed by the
11 president pro tempore of the Senate;

12 (2) One member of the Board of Governors of Higher Education,

13 appointed by the majority leader of the House of Representatives;

14 (3) One member of the Board of Trustees of The University of
15 Connecticut, appointed by the majority leader of the Senate;

16 (4) One member of the Board of Trustees of the Connecticut State
17 University System, appointed by the minority leader of the House of
18 Representatives;

19 (5) One member of the Board of Trustees of the Community-
20 Technical Colleges, appointed by the majority leader of the Senate.

21 (6) The chairpersons and ranking members of the joint standing
22 committees of the General Assembly having cognizance of matters
23 relating to education and banks, or their designees;

24 (c) All appointments to the task force shall be made no later than
25 August 1, 2002. Any vacancy shall be filled by the appointing
26 authority.

27 (d) The speaker of the House of Representatives and the president
28 pro tempore of the Senate shall select the chairpersons of the task force
29 from among the members of the task force. Such chairpersons shall
30 schedule the first meeting of the task force, which shall be held no later
31 than September 1, 2002.

32 (e) The administrative staff of the joint standing committees of the
33 General Assembly having cognizance of matters relating to education
34 and banks shall serve as administrative staff of the task force.

35 (f) Not later than January 1, 2003, the task force shall submit a report
36 on its findings and recommendations to the joint standing committee
37 of the General Assembly having cognizance of matters relating to
38 education, in accordance with the provisions of section 11-4a of the
39 general statutes. The task force shall terminate on the date that it
40 submits such report or January 1, 2003, whichever is earlier.

This act shall take effect as follows:
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Section 1	<i>from passage</i>
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BA *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	FY 03 \$
GF - Cost	Legislative Mgmt.	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a task force to study the issue of solicitation of credit cards to students in any public or independent college or university and make recommendations to the General Assembly by January 1, 2003.

The bill appoints the co-chairpersons and the ranking members of the Education Committee and Banks Committee to the task force. To the extent that members of the General Assembly are appointed to the task force, the Joint Committee on Legislative Management will incur a minimal cost. A total cost of less than \$5,000 may result from mileage reimbursement to legislators in traveling to and from panel meetings, public hearings and regional forums. Legislators are currently reimbursed 36 ½ cents per mile. Considering that legislators may be traveling to and from the capitol on other legislative business, any additional cost due to an increased number of reimbursed trips could be handled within the anticipated budgetary resources of the department. The bill requires the Education Committee and Banks Committee staff to serve as the administrative staff for the task force, which may result in a workload reallocation.

OLR Bill Analysis

sSB 424

AN ACT CONCERNING A STUDY OF THE SOLICITATION OF CREDIT CARDS ON COLLEGE CAMPUSES**SUMMARY:**

The bill creates a 14-member task force to study soliciting students on state public and private college campuses to sign up for credit cards. The study must include:

1. offering credit cards to students with no income,
2. regulating credit card issuers' campus marketing practices,
3. sites where cards may be marketed, and
4. debt education and counseling for students.

The task force consists of two representatives of credit card issuers; one member of the higher education Board of Governors, and one member each from the University of Connecticut, Connecticut State University, and regional community-technical colleges boards of trustees, all appointed by legislative leaders; and the chairmen and ranking members of the Education and Banks committees, or their designees. The House speaker and Senate president pro tempore appoint the task force chairmen from among the members. (The bill does not specify how many chairmen, but presumably there would be two.) Appointing authorities fill any vacancies.

Appointments must be made by August 1, 2002; the chairmen must schedule the first meeting, which must be held by September 1, 2002; and the task force must report its findings and recommendations to the Education Committee by January 1, 2003. The task force ceases on its reporting date or January 1, 2003, whichever is earlier. The Banks and Education committee staff are the task force staff.

EFFECTIVE DATE: Upon passage

BACKGROUND***Legislative History***

The Senate referred the original bill (file 219) to the Banks Committee on April 3. That committee substituted a study for the original bill, which would have, among other things: (1) prohibited credit card issuers from offering cards, either face-to-face or with a gift or other promotional incentive, on a public or private college campus to anyone under age 21; (2) required issuers to register to offer cards on campus; (3) required issuers offering cards on campus to offer materials or programs on consumer debt; and (4) barred issuers from seeking repayment from a student's parent if the parent did not agree in writing to be liable for the student's debt. The Banks Committee reported the substitute bill favorably on April 10.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute

Yea 19 Nay 8

Banks Committee

Joint Favorable Substitute

Yea 15 Nay 0